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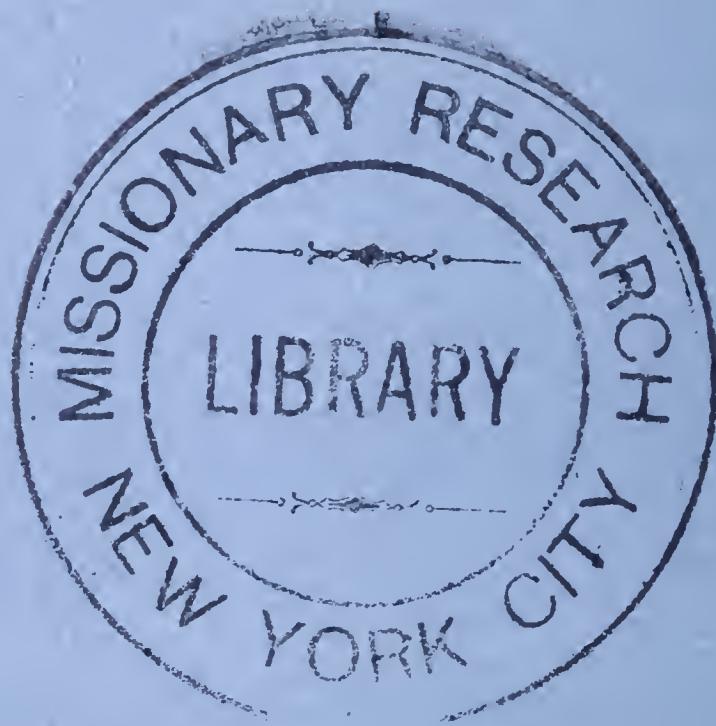
GIVING USA



1957 EDITION

FACTS ABOUT PHILANTHROPY

GIVING USA



FEB 1957

**A COMPILATION OF FACTS
RELATED TO
AMERICAN PHILANTHROPY**

ISSUED JANUARY 1957 BY

AMERICAN ASSOCIATION OF FUND-RAISING COUNSEL, INC.

500 FIFTH AVENUE NEW YORK 36, N. Y. LACKAWANNA 4-5468

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The American Association of Fund-Raising Counsel, Inc., is indebted to many individuals and organizations for permission to use material included in this book.

F. Emerson Andrews, author of several books on philanthropy published by Russell Sage Foundation, has been generous in his counsel and in authorizing use of material from his books.

Mrs. Ida C. Merriam, Henry G. Badger and Thomas Karter of the United States Department of Health, Welfare and Education have been of great assistance in making available and interpreting the results of their research work.

The Association also expresses its appreciation to the *American Hospital Association, United Community Funds and Councils of America, the Education Department of the National Association of Manufacturers, the American Alumni Council, the editors of America's Needs and Resources—a New Survey, the Joint Department of Stewardship and Benevolences of the National Council of Churches, the editors of Yearbook of American Churches, and the editors of American Foundations and Their Fields, Seventh Edition*.

Material of great usefulness has been drawn from the publications of the *Council of State Governments, the Wisconsin Legislative Reference Library, the United States Department of Commerce, the Internal Revenue Service, and the several branches of the U.S. Department of Health, Welfare and Education, Kiplinger's Population Letter, School Life, and National Council of Independent Schools*.

FOREWORD

Philanthropic institutions and organizations—with property and endowment valued at some \$42 billion—serve the American people.

In the past decade the people of the United States and Canada have doubled their annual contributions for philanthropic effort. In 1956 such giving was well in excess of \$6.1 billion.

Nevertheless, the New York Times recently described American philanthropy as “an immense but relatively little known area of our economic life”.

A Russell Sage Foundation publication states:—“Philanthropy has been neglected by historians partly because it is regarded, at least in its private phases, as a confidential matter, most meritorious if kept secret. Facts and statistics are therefore not easy to assemble”.

As a service to its members and others who have an interest in philanthropy the American Association of Fund-Raising Counsel, Inc., a non-profit organization of professional fund-raising counsel, has sought to gather some of the basic facts related to philanthropy in 1956. These data, which make no claim to being all inclusive, are presented in the following pages, a second edition of *Giving-USA*. The greater part of the factual material has originated with organizations and individuals to whom acknowledgment is made elsewhere.

Giving-USA 1956, is offered as reference material to those who have a concern for philanthropy and its relation to American life, and suggestions to improve its usefulness are sought.

CARL A. KERSTING
President,
American Association of
Fund-Raising Counsel, Inc.

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I THE PHILANTHROPIC PICTURE

The total of philanthropy in the United States in 1956 is conservatively estimated at \$6.1 billion.

The 1955 total was estimated at \$6 billion.

Where it comes from . . .

Official figures on giving are reported only in federal tax returns, the latest available showing that in 1953:*

13,428,078 taxpayers reported contributions of	\$3,556,617,000
Corporations reported contributions of	\$ 494,517,000
44,400,000 individual taxpayers made no report of contributions but took the standard deduction. It is estimated they gave	\$1,400,000,000
Foundations, in 1953, probably gave	\$ 305,000,000
Bequests are estimated at	\$ 237,000,000

. . . Where it goes to (estimated)

Religion	53%
Welfare	20%
Health	13%
Education	9%
Foundations (Paid into endowment Funds)	3%
Other	2%

**There is ample evidence that these figures for 1953 were greatly exceeded in 1956.*

A Projection of Giving . . .

Thomas T. Murphy, economist for the American Cancer Society, has made the following projection of giving in the U. S. A.

	1955	1960	1965	1975	
Population	165	177	190	220	(millions)
National income	\$300	\$373	\$432	\$581	(billions)
Gross nat'l product	\$387	\$449	\$520	\$700	(billions)
Total giving	\$ 6	\$ 7.4	\$ 9.2	\$ 14	(billions)

SOURCE: *IRS Preliminary Statistics of 1953; F. Emerson Andrews' Philanthropic Giving; Research and Statistics Note No. 15—1956; Thomas Karter, Division of Program Research, Social Security Administration, U. S. Dept. of Health, Education and Welfare.*

Philanthropic and Religious Assets

Total investment of Americans in property and endowment of privately supported institutions of education, religion, health and welfare increased by an estimated \$1.4 billion in 1956, and now exceed \$42 billion.

Higher education, privately supported, has plant and endowment with reported value of \$11.3 billion, the total having been increased by \$525 million in new structures in 1956. Operating costs are \$1.3 billion annually for independently supported institutions and \$2.9 billion for all colleges and universities.

Churches, synagogues and temples have property and endowment of an estimated value of \$12.2 billion. Religious construction in 1956 was estimated at \$775 million, about 85% of which went for entirely new buildings.

Non-profit hospital plant and endowment is estimated at \$5.2 billion of which \$1.6 billion is in capital funds. New construction in non-profit hospitals in 1956 exceeded \$310 million and may have reached \$325 million.

Welfare, recreational, and character building agencies, and other privately supported services for the common welfare have property and endowment valued in excess of \$2 billion.

Foundations created for philanthropic giving are estimated to have assets of more than \$7.4 billion.

Volunteers . . . Beyond the physical assets of philanthropy there is the great contribution of effort and support put forth by volunteers. In 1956 there were at least 35 million volunteers—one in every five persons, giving of their time, and talent to common causes. In 1925 it was estimated there were 3 million volunteer workers.

SOURCE: *U. S. Statistical Abstract; Journal of American Hospital Association; Biennial Survey of Education; F. Emerson Andrews' Philanthropic Foundations.*

The field for philanthropic service

POPULATION

will probably exceed 177 million by 1960, and increase at the rate of about 2.8 million a year through 1965. The 200 million mark may be reached sometime in 1968.

Babies are arriving at the rate of 11,500 daily—about 4.2 million a year. The annual rate will reach 5 million before 1970 and 6 million about 1975.

The aged population is increasing by 1,000 a day.

WORKING FORCE

More than 20.5 million women and over 43 million men are employed—a total labor force of 64 million, an increase of 35 per cent since 1940.

MARRIAGES

A fairly steady rate of 1.5 million annually is maintained, but likely to increase in 1960 as birth wave of the 40's becomes of marriageable age.

FAMILIES

138 million people live in approximately 40 million family units. 15.7 million families now have incomes between \$5,000 and \$10,000 annually, compared with 8.7 million families in 1950.

CHILDREN

Children under 18 will number 55.25 million in 1960. High school age children will increase by 4.2 million in 1965 over the present number.

SOURCE: *Social Security Bulletin—U. S. Bureau of Labor Statistics; United Community Campaigns Facts Book; Kiplinger Population Letter.*

II AREAS OF PHILANTHROPIC OPPORTUNITY

Education

Nearly forty million Americans—between the ages of 5 and 34—are in school.

THE IMPACT OF POPULATION ON STUDENT ENROLLMENT

	ELEMENTARY SCHOOLS	SECONDARY SCHOOLS	COLLEGES AND UNIVERSITIES
1920	19,378,000	2,200,000	597,880
1950	21,401,000	5,707,000	2,659,021
1956	29,618,000	8,111,600	2,957,227

SOURCE: *Office of Education; School Life; Statistical Abstract of the United States.*

PRIVATE ELEMENTARY AND SECONDARY SCHOOLS

Public elementary and secondary schools educate 33 million children.

Private elementary and secondary schools educate 4.4 million children. Annual expenditures of private elementary and secondary schools is at rate of \$1.2 billion annually.

Catholic parochial school system educates 2,992,318 children in elementary schools, and 3,660,000 in elementary and secondary schools.

Protestant denominations have 3,000 schools with enrollment close to 200,000.

10 Jewish Day Schools have 32,000 in attendance.

Independent Schools—those without religious affiliations have no adequate data. There are about 3,000 such schools and 426 of these schools operate at a deficit, receiving approximately 86 per cent from tuition; 3.4 per cent from endowment; and 4 per cent from gifts. In 1955-56 corporation gifts were sought by 54 schools from 1869 companies, and over 700 corporations contributed \$1,763,041. Alumni of 174 schools have annual giving programs which netted \$1,896,356 last year. Scholarships worth \$6,171,980 were given to 14,452 students by 404 schools.

SOURCE: *National Association of Manufacturers Bulletin; National Council of Independent Schools.*

PHILANTHROPY FOR EDUCATION

Philanthropic contributions to higher educational institutions, including individual and corporation gifts, and foundation expenditures, can be reasonably estimated as exceeding \$550 million in 1956, excluding the Ford Foundation grants made in 1955 and paid in part in 1956. Preliminary government estimates indicate giving to higher education in 1953-54 approached \$415 million and the Council for Financial Aid to Education—ACPRA Survey set \$507 million as the figure for giving to higher education in 1954-55.

Current expenditure for higher education is at the annual rate of \$2.9 billion, of which about 46 per cent is spent by privately supported institutions. By 1965 total current operating budgets for higher education may reach \$5 billion. Between 75 and 80 per cent of all expenditures for all education in the United States are from public funds.

SOURCE: *Social Security Bulletin; Henry G. Badger, Office of Education; U. S. Department of Health, Education and Welfare.*

ALUMNI GIVING

Alumni of 391 universities, colleges, and secondary schools in the United States and Canada, gave \$25,434,357 to their annual funds in 1955, an increase of \$3,815,322 from the 1954 total. This sum was equal to a return of 5% on \$500,000,000, about one-fourth of all endowment funds held by all the colleges and universities in the country.

For every dollar alumni give through organized funds, the institutions receive \$2 from alumni in the form of bequests or major gifts for capital purposes. In 1955, this total alumni giving showed an even greater jump than did alumni fund contributions, increasing by 23% to an all-time record total of \$77,252,996.

Nearly six million living graduates and non-graduates are listed by the 391 institutions reporting. A total of 892,914, out of 4,399,079 actually solicited for annual giving, made gifts, or a little better than one out of five.

The top ten institutions in dollar total contributed to the annual fund are: Harvard, Yale, Princeton, Wellesley, Dartmouth, Columbia, M.I.T., Cornell, Vassar, and Notre Dame.

SOURCE: *American Alumni Council.*

FUTURE NEEDS IN EDUCATION

In the next ten years

Elementary schools will have an increase of 6.6 million pupils.

High schools will have an increase of 4.2 million pupils.

Colleges and Universities will have an increase of 1.1 million students.

Elementary and secondary schools will require 600,000 additional class rooms, and two million additional teachers. Present costs of schools, public and private, now about \$8 billion, may double in the next ten years. This, however, is largely a problem of increased tax support.

Capital facilities estimated at \$13 billion are needed for colleges and universities during the next ten years.

An additional \$500,000,000 a year will be required for increased operating budgets.

Approximately 45 per cent of the needs for the future will become the responsibility of privately supported institutions of higher education.

SOURCE: *Kiplinger Population Letter; Council for Financial Aid to Education; Dr. E. V. Hollis, U. S. Department of Health, Education and Welfare.*

Health

For every 1,000 of population there are 1,060 cases of illness per year. Over 5 million people in the United States have chronic disabilities requiring some degree of care.

250,000 persons become disabled annually.

There are 5.5 million persons with heart disorders, and 1.25 million new cases yearly.

Cancer takes the lives of 250,000 persons each year.

About 13 of every 1,000 have diabetes.

There are an estimated 400,000 active tuberculosis cases. More than 10 million persons are afflicted with arthritis or rheumatism.

There are over 1,000,000 suffering from the neurological diseases.

More than 10 million—1 in every 16—suffer from some form of mental disorder. Over 250,000 new patients are admitted to mental hospitals yearly.

SOURCE: *U. S. Social Security Commission; American Public Health Association; U. S. Department of Commerce; Department of Health, Education and Welfare; U. S. Children's Bureau; United Community Campaigns Facts Books.*

THE COST OF HEALTH CARE

The American Medical Association estimates federal expenditures for health and medical programs approximate \$2.5 billion in 1956.

An additional \$3.4 billion is estimated to have been spent by state and local governments, making the total government expenditures \$5.9 billion, including some \$790 million of Defense Department expenditures for health.

Private expenditures for medical services amounted to about \$11.7 billion.

Private funds for hospital construction amounted to \$325 million in 1956.

Public funds supported about 30 per cent of the combined public and private outlay for medical and health services and a little under 30 per cent of expenditures for civilian health services in 1955.

There has been more than a tenfold increase in giving for health purposes in the past fifteen years:

In 1940, \$71 million was given for all health purposes.

In 1956, it is roughly estimated to have exceeded \$800 million.

SOURCE: *U. S. Department of Health, Education and Welfare; Research and Statistics; Note No. 39—1956 prepared by Mrs. Ida C. Merriam; Note No. 15—prepared by Thomas Karter.*

HOSPITALS IN THE UNITED STATES

THE TOTAL PICTURE

7,063 hospitals provide service to the continental United States, according to the accepted listing of the American Hospital Association, recently issued.

Official listings for 1955 were closed on September 30, 1955 when the total of hospitals was reported as 6,956. Since then an additional 107 hospitals have been accepted for listing. However, for purposes of comparison the 1955 total is reported as 6,956 hospitals with a total of

1,604,408 beds, an increase of more than 26,000 or 1.7 per cent, over the 1954 figure of 1,577,961.

21,072,521 admissions were reported, an increase of 727,090 or 3.6 per cent, over the 1954 total of 20,345,431.

1,363,024 was the average daily census in all hospitals, an increase of 20,516 or 1.5 per cent over 1954.

Total assets of the nation's hospitals amounted to \$11,986,126,000 as compared with \$10,820,261,000 in 1954.

Total expense of all hospitals amounted to \$5,594,-304,000, as compared with \$5,229,040,000 in 1954.

Total expense per patient day was \$11.24 in 1955 and \$10.67 in 1954.

Payroll expense in 1955 was \$3,581,784,000 and \$3,344,416,000 in 1954, or \$7.20 per patient day in 1955 and \$6.83 in 1954.

Fulltime personnel was 1,300,733 in 1955 and 1,245,669 in 1954, or 95 per 100 patients in 1955 and 93 per 100 patients in 1954.

Of the total of 6,956 hospitals, 428 were federal owned, with 183,162 beds, 552 were state owned with 739,153 beds and 5,976 were local government, non-profit and proprietary institutions.

The bulk of hospital service was borne by non-profit general and special hospitals.

NON-PROFIT HOSPITALS

3,440 non-profit hospitals operate in the United States with 427,044 beds and an average daily census of 314,955, and total admissions of 13,978,032.

Non-profit short term general and special hospitals in the United States number 3,097 with 389,059 beds and \$5,222,998,000 in assets of which \$3,665,388,000 is in plant or \$9,421 per bed. This would indicate there is about \$1.6 billion in capital funds in special and short term non-profit hospitals.

Income of these hospitals was \$2,545,763,000 or \$24.51 per patient day, of which patients paid \$22.40.

Total expense was \$2,507,602,000 or \$24.15 per patient day.

Of the 3,440 non-profit hospitals
1,101 are church related with
162,283 beds and
120,491 average daily census and
5,632,096 admissions.

HOSPITAL EXPENSES

Total annual expenditures of the nation's hospitals which were just under \$2 billion in 1946 were nearly \$5.6 billion in 1955, an increase of over \$3.6 billion as compared with 1946.

Total payroll expenses for all hospitals rose from \$1.1 billion in 1946 to nearly \$3.6 billion in 1955, or 225 per cent.

In 1946, 56 per cent of all hospital expense was for payroll, but in 1955 it had risen to 64 per cent.

Non-profit short term general and special hospitals, which provide for a majority of all persons admitted to hospitals each year, showed an increase of 196 per cent in annual expenditure between 1946 and 1955—from \$848 million in 1946 to \$2.5 billion in 1955.

Expense per patient day was *\$10.04 in 1946 and \$24.15 in 1955*, an increase of 141 per cent in a decade.

During this period the average length of stay in these hospitals declined from 8.8 to 7.5 days, and thus the average cost per stay increased only 105 per cent—from \$88.35 to \$181.13.

GROWTH OF HOSPITALS, CONTINENTAL UNITED STATES

	1935*	1946	1955
Hospitals	6,246	6,125	6,956
Beds	1,075,139	1,435,778	1,604,408

*Figures for 1935: American Medical Association *Census of Hospitals*.

HOSPITAL FINANCES

	All Hospitals		Non-Profit Hospitals	
	1948	1955	1948	1955
Total Assets (000)	\$6,489,794	\$11,986,126	\$2,888,844	\$5,222,998
Total Income (000)	—	—	\$1,269,256	\$2,545,763
Total Income (Per Patient Day)	—	—	\$14.12	\$24.51
Total Expenses (000)	\$2,875,478	\$ 5,594,304	\$1,263,940	\$2,507,602
Total Expenses (Per Patient Day)	\$6.35	\$11.24	\$14.06	\$24.15

OUT-PATIENT VISITS

4,832 hospitals reported a total of 73,497,540 out-patient visits in 1955.

2,547 non-profit hospitals reported 32,628,639 out-patient visits in 1955.

INCREASED COSTS

In non-profit short term hospitals, total annual expenditures increased from \$848 million in 1946, to \$2.5 billion in 1955—or 196 per cent. Expenses per patient day increased from \$10.04 to \$24.15 in a decade—an increase of 141 per cent.

CANADIAN HOSPITALS*

1,281 hospitals serve Canada with 156,348 bed capacity. Of the total hospitals: 855 are public; 236 private, including proprietary and restricted admissions; 73 mental; 61 tuberculosis; 56 federal.

*1953 figures based on data from the Canadian Dominion Bureau of Statistics.

Average daily census in public hospitals is 70,223, and 2,173 in private hospitals.

Income per patient day in public hospitals was \$11.45; and expenses per patient day were \$11.96.

SOURCE: *American Hospital Association; Hospital, Guide Issue August 1956.*

THE NEEDS

The present hospital bed deficit is estimated at 843,000 beds by the U. S. Department of Health, Welfare and Education. This would involve expenditures of at least \$22 billion dollars, of which upwards of \$10 billion would be expected from private sources.

Construction Review estimates \$325 million was spent in new hospital construction in 1956, and that \$400 million will be spent in 1957.

Religion

Membership in religious bodies in the continental United States exceeds 100 million for the first time in history.

Total membership of 258 religious bodies reported for 1955 is 100,162,529, an increase of 2.8 per cent over the previous year. The population gain in the same period was 1.8 per cent.

The proportion of church members in the population is 60.9 per cent.

Estimated membership in major groups is:

Protestant, 58,448,567

Roman Catholic, 33,396,647

Jewish, 5,500,000

GROWTH OF RELIGION IN THE UNITED STATES

	1916	1926	1940	1950	1954	1955
Churches (000)						
	227	232	244	286	300	305
Value of Buildings (000,000)	\$1,677	\$3,839	—	\$5,235	\$11,615*	\$12,050*
Church Members (000)	41,927	54,576	64,501	86,830	97,482	100,162
Membership as % of Population	41%	46%	49%	57%	60.3%	60.9%

**Estimate of Church Property and Endowment.*

SOURCE: U. S. Bureau of Census; Yearbook of American Churches; America's Needs and Resources.

NEW RELIGIOUS CONSTRUCTION

is estimated at \$775 million in 1956 by Construction Review, compared with \$736 million in 1955. Estimates are for \$875 million in new religious structures in 1957.

RELIGIOUS GIVING

Total religious giving in 1955 reached \$3,120,878,358, approximately ten per cent greater than the previous year. Total Protestant giving in 1955, as reported by the National Council of Churches of Christ in the U.S.A. was \$1,842,592,260. All other religious giving is estimated at \$1,278,286,098.

The National Council of Churches aggregate of \$1,842,592,260 was given to forty-eight Protestant and two Eastern Orthodox communions, which have a membership of 48,800,000. In these communions—

The per capita giving was at \$53.94, a new high level.

Total giving showed an increase of 11 per cent over the previous year and per capita giving an eight per cent increase.

Congregational expenses received \$1,484,490,642 of the total given—this sum being used for salaries, church maintenance and so forth. The remainder went to benevolences, home, and foreign missions.

The highest per capita giving was reported by the Free Methodist Church which reported \$193.45 per capita. Ten other denominations reported per capita giving over \$100.

Six religious bodies in Canada report total contributions of \$72,515,379. Of this amount \$58,705,217 was for local congregational expenses, and \$13,810,162 for benevolences.

Per member contributions in four Canadian bodies were as follows: total contributions, \$43.07 compared with \$40.65 last year; congregational expenses, \$35.05 this year compared with \$33.01 last year; and total benevolences, \$8.02 compared with \$7.64.

THE NEEDS

New churches costing \$7 billion will be needed in the next decade, and it is estimated there will be need for at least 70,000 new suburban congregations.

Social Problems

THE FAMILY

Families are larger today than during the past two decades. There were 779,000 new households formed in 1955. In the next 20 years it is estimated there will be 18.5 million new households.

More than half the children born in the United States are born to families with only one-fifth the national income.

In 1954 there were approximately one million marriages broken by death or divorce.

As the divorce and annulment rate reaches 390,000 a year, some 300,000 children are affected thereby.

CHILDREN

The child population is approximately 61 million.

Seven out of every 1,000 children, under 21, require some form of public or voluntary welfare assistance.

Some 245,000 children are cared for away from their home —170,000 of these in foster homes.

900,000 children are receiving aid to dependent children because of the absence of the father from the home.

90,000 children a year are placed for adoption.

150,000 children are born each year out of wedlock.

YOUTH

Young people between the ages of 14 and 18 number nine million.

High school enrollment is expected to increase from seven million to twelve million in the next fifteen years.

Twenty-two per cent of the youth—two million—are employed full or part time during the school year.

Each year, one out of eighteen—or a million between the ages of ten and eighteen—have some dealings with the police—and this number will increase to 1.5 million by 1960.

Between 1948 and 1954, the number of delinquency cases rose about 58 per cent while the related child population increased 13 per cent.

THE AGED

Fourteen and a half million persons in the United States are 65 years of age, or older.

Life expectancy has increased from 47 years to 69 years since 1900.

By 1975, it is estimated the number of persons 65 and over will reach 21 million.

The problem of security for the aged has been greatly increased.

The aged need more than \$100 per couple per year for medical care. They have more days of disability per person.

They spend almost twice as many days in the hospital as the average person.

Nearly three fourths of all over 65 have less than \$1,000 annual income.

Housing conditions for the aged are acute because of low income.

SOURCE: *U. S. Social Security Administration; U. S. Department of Health, Education and Welfare; United Community Funds Facts Book.*

RECREATION

Private giving for support of recreation and leisure time services is increasing.

Community Chest allocations and individual donations to private agencies for recreation and leisure time services exceeded \$200 million in 1956.

About 35 per cent of the community chest allocations go to leisure time services.

Indication of the extent of some of the major leisure time and character building agencies is shown in total annual expenditures:

Y.M.C.A.—\$115 million

Boy Scouts of America—\$36 million

Y.W.C.A.—\$35 million

Girl Scouts of America—\$17 million

Boys Clubs of America—\$11.4 million

Camp Fire Girls—\$6.3 million

Estimates have been made of needs of at least \$300,000,000 for capital improvements in private leisure time agencies in the next five years, despite the fact that there is a growing tendency to look to public funds for capital expenditures for recreation.

SOURCE: *America's Needs and Resources—A New Survey—Research and Statistics, Division of Program Research, Social Security Administration—Thomas Karter.*

SOCIAL WELFARE EXPENDITURES

Total welfare expenditures in the United States were about \$5 billion in 1954. Of this sum approximately 22.4 per cent represented voluntarily supported welfare activities. The largest part of the voluntarily supported welfare activi-

ties involved services and or care to children, families, the aged, the handicapped or mentally disturbed, while only a small part went for direct financial aid to needy families or individuals.

In 1954, roughly \$1.1 billion was contributed to social welfare compared with \$200 million in 1940. Church supported welfare work benefited by contributions of \$270 million compared with \$50 million in 1940. Additional contributions went to church operated welfare agencies from federated funds such as community chests, Catholic Charities, Jewish Welfare Federations, etc.

SOURCE: *U. S. Department of Health, Education and Welfare; Research and Statistics Note No. 15—1956.*

Foreign Aid

Forty-eight non-profit agencies are registered with the Advisory Committee on Voluntary Foreign Aid of the International Cooperation Administration.

These agencies, which provide services of relief and rehabilitation, expended \$282,684,115 in 1955, and had receipts of cash and kind of \$283,639,395. In the first six months of 1956, they had receipts of cash and kind of \$170,719,088, compared with \$171,155,000 in the same period in 1955.

SOURCE: *Advisory Committee on Voluntary Foreign Aid.*

III SOURCES OF PHILANTHROPY

Who Gives—

Statistics of Income for 1953 (Preliminary)

Individual income and total tax for 1953, the latest figures available, continued the upward trend.

Adjusted gross income for 1953 reported an *all-time high* of \$229.9 billion, \$13.8 billion above 1952.

Salaries for 1953 were \$187.7 billion, an increase of \$13.4 billion.

The 57.8 million individual returns filed for the income year 1953 are *1.3 million more returns* than were filed in 1952. Of these *45.2 million were taxable returns*.

INCOME TAX RETURNS SHOWING CHARITABLE DEDUCTIONS, BY INCOME GROUPS, 1953

INCOME GROUP	NO. OF RETURNS	CONTRIBU- TIONS CLAIMED (IN MILLIONS)	ADJUSTED GROSS INCOME (IN MILLIONS)	CONTRIBU- TIONS PER CENT
Under \$5,000	6,627,564	\$1,122	\$23,703	4.7
\$5 under \$6,000	2,060,751	455	11,494	4.0
\$6 under \$7,000	1,296,660	334	8,509	3.9
\$7 under \$8,000	751,698	220	5,692	3.9
\$8 under \$10,000	675,788	233	6,041	3.9
\$10 under \$15,000	502,416	235	6,133	3.8
\$15 under \$1,000,000	590,802	778	19,402	4.0
\$1,000,000 and over	142	31	271	11.6
<hr/>				
Total Taxable	12,505,821	\$3,408	\$81,245	4.2
Non-taxable	922,257	149	1,626	9.1
<hr/>				
Grand Total	13,428,078	\$3,557	\$82,871	4.3

Itemized returns of adjusted gross income under \$15,000 claimed total deductions for contributions of \$2.75 billion, or 77.3 per cent of all reported contributions, including non-taxable returns and assuming all such are in the under \$15,000 income class. This percentage would be much higher if standard but unitemized deductions were included.

39.4 million individuals having incomes of less than \$7,000 a year filed 87.1 per cent of the taxable returns.

143 itemized returns showed adjusted gross income of \$1 million or more, with 142 taking deductions for contributions of \$31.4 million, or less than one per cent (0.9 per cent) of the total \$3.6 billion deducted as contributions.

Salaries and wages are found on 87.1 per cent of the returns where the adjusted gross income is under \$5,000, and on 90 per cent of returns where adjusted gross income is \$5,000 and more.

Dividends are reported on one out of every six returns with income of \$5,000 or more and on one out of every 22 returns with adjusted gross income under \$5,000.

Taxpayers numbering 13.4 million claimed *\$3.6 billion in deductions for contributions*.

Deductions of \$3.6 billion for philanthropic contributions accounted for 22.7 per cent of total deductions of \$15.6 billion claimed for all allowable purposes.

Of the 57.8 million returns only 14.4 million claimed itemized deductions—standard deduction is presumed to have been taken by the remainder.

THE WEALTHY DONOR

ADJUSTED GROSS INCOME CLASS	RETURNS (IN THOUSANDS)			CONTRIBUTIONS (IN MILLIONS)		
	1943	1952	1953	1943	1952	1953
\$5,000 under						
\$100,000	24.8	60.1	55.2	\$43.4	\$149.7	\$150.4
\$100,000 under						
\$1,000,000	7.4	17.1	14.9	47.0	180.4	170.6
\$1,000,000 and over	0.1	0.144	0.142	4.8	32.9	31.4

SOURCE: *Income Statistics for 1953—Preliminary. IRS.*

Contributions—Corporate and Individual

ELEVEN YEARS PROGRESS IN CORPORATE GIVING (1942-1953)

Figures show that, while corporate net income in 1953 was less than double that of 1942, total contributions by corporations were more than five times as great. The per cent of contributions to net income, however, at no time was near the allowable five per cent. In 1942 contributions were 0.42 per cent of net income and in 1953 they were 1.24 per cent.

YEAR	NET INCOME BEFORE DEDUCTIONS FOR CON- TRIBUTIONS (000)	5% ALLOWABLE DEDUCTIONS FOR CON- TRIBUTIONS (000)	CONTRIBU- TIONS DEDUCTED (000)	PER CENT OF CON- TRIBUTIONS TO NET INCOME
1942	\$23,139,907	\$1,156,995	\$ 98,296	0.42
1945	21,405,636	1,070,281	265,679	1.24
1948	34,664,361	1,733,218	239,337	0.69
1949	28,417,403	1,420,870	222,566	0.78
1950	42,865,670	2,143,283	252,366	0.59
1951	43,888,629	2,194,431	343,039	0.78
1952	38,854,758	1,942,737	398,579	1.03
1953	39,979,204	1,998,960	494,517	1.24

INCOME TAX DEDUCTIONS OF INDIVIDUALS FOR PHILANTHROPY

These statistics show that since 1945, as income has increased there has been a comparable increase in contributions, although at no time have contributions approached the allowable deductions of income. The greatest total of dollars of contributions came from the \$5,000 to \$100,000 income classification. The greatest increase was in the income class of \$1,000,000 and over, where percentage of contributions to income rose from 8.98 per cent in 1945 to 11.59 per cent in 1953. The lowest increase was in the \$5,000 to \$100,000 income class, where it was 3.47 per cent in 1945 and 3.81 per cent in 1953.

These figures do not, of course, record total philanthropy, for there were an additional 44.4 million taxpayers who filed returns, taking the standard deduction for contributions.

INCOME TAX DEDUCTIONS OF INDIVIDUALS FOR PHILANTHROPY

(By Adjusted Gross Income Classes)

ADJUSTED GROSS INCOME	YEAR	NUMBER OF TAX RETURNS	ADJUSTED GROSS INCOME (IN THOUSANDS)	DEDUCTIONS FOR CONTRIBUTIONS (IN THOUSANDS)		PER CENT OF CONTRIBUTIONS (ADJ. GROSS INCOME)	AVERAGE GIFT
				(\$)	(%)		
Under \$5,000	1945	6,538,502	\$16,652,173	\$ 758,116	4.55	\$ 116	
	1946	7,204,456	17,676,405	843,326	4.77	117	
	1950	7,559,950	21,524,013	1,017,996	4.73	135	
	1952	7,108,362	23,845,213	1,175,877	4.93	165	
	1953	7,505,807	24,991,291	1,256,506	5.03	167	
\$5,000-\$100,000	1945	1,253,005	16,431,235	570,043	3.47	455	
	1946	1,538,192	19,868,747	684,232	3.44	445	
	1950	2,740,775	29,660,928	1,058,150	3.57	386	
	1952	4,783,779	46,556,434	1,727,247	3.71	361	
	1953	5,907,203	55,023,104	2,098,071	3.81	355	
\$100,000-\$500,000	1945	8,716	1,403,278	72,717	5.18	8,343	
	1946	10,125	1,629,429	82,371	5.06	8,135	
	1950	18,741	3,088,120	129,054	4.18	6,886	
	1952	16,544	2,676,113	156,290	5.84	9,441	
	1953	14,563	2,334,148	146,832	6.33	10,083	
\$500,000-\$1,000,000	1945	256	168,431	11,628	6.90	45,422	
	1946	313	210,860	14,201	6.73	45,371	
	1950	615	414,282	24,124	5.82	39,226	
	1952	405	278,203	24,159	8.68	59,652	
	1953	363	250,984	23,797	9.48	65,556	
\$1,000,000 and over	1945	71	123,384	11,082	8.98	156,085	
	1946	93	183,089	14,852	8.11	159,699	
	1950	217	429,001	31,018	7.23	142,940	
	1952	144	286,620	32,910	11.48	228,542	
	1953	142	271,130	31,411	11.59	221,204	
TOTALS— ALL RETURNS	1945	7,800,550	\$34,778,501	\$ 1,423,586	4.09	\$ 182	
	1946	8,753,179	39,568,530	1,638,982	4.14	187	
	1950	10,320,298	55,116,344	2,260,342	4.10	219	
	1952	11,909,234	73,642,583	3,116,483	4.23	262	
	1953	13,428,078	82,870,657	3,556,617	4.29	265	

PERSONAL INCOME AND PHILANTHROPY

Since 1950, as personal income has increased, total contributions by living donors have also increased, but usually at a slower rate than personal income. The statistics follow:

Year	Total Philanthropic Contributions (In Billions)	Gifts of Living Donors (In Billions)	Per Cent Increase or (Decrease)	Personal Income (In Billions)	Per Cent Increase
1950	\$4.149	\$3.688	2.19	\$227.1	9.82
1951	\$4.903 ^d	\$4.286	16.21	\$255.3	12.42
1952	\$5.181 ^d	\$4.545	6.04	\$271.1	6.19
1953	\$5.466 ^d	\$4.779	5.15	\$286.2	5.57
1954	\$5.401 ^d	\$4.789	0.21	\$287.6	0.49
1955	\$6.000*	\$4.902*	2.36	\$303.0	5.35

^d preliminary figures

* *AAFRC estimate*

SOURCE: *Total of Contributions from Revised figures in F. Emerson Andrews' Philanthropic Giving; Personal Income from U. S. Department of Commerce.*

Foundations

EXTENT

Upwards of 40,000 organizations, contributions to which are deductible for income tax purposes, are listed by the Internal Revenue Service. Many of these are described as "foundations." Some are individual foundations, and others are not foundations in the broad philanthropic sense.

There are probably not more than 6,000 foundations engaged in philanthropic giving. Listing of these foundations will be undertaken by the recently established Foundation Library Center in New York. The Seventh edition of American Foundations and Their Fields describes 4,162 foundations.

ASSETS

Assets of foundations engaged in philanthropic giving are variously estimated at between \$7 billion and \$9.5 billion. Because of the heavy stock ownership of some foundations their total assets have varied as much as \$50 million in one day, as stock prices fluctuated.

Seventy-seven of the larger foundations have estimated assets of approximately \$6 billion.

Some of the larger foundations and their approximate assets are:

	<i>(in thousands)</i>
FORD FOUNDATION	\$ 2,500,000*
ROCKEFELLER FOUNDATION	547,950
CARNEGIE CORPORATION	244,436
ALFRED P. SLOAN FOUNDATION	135,000
W. K. KELLOGG FOUNDATION	124,257
COMMONWEALTH FUND	119,032
DUKE ENDOWMENT	109,552
PEW MEMORIAL FOUNDATION (<i>no report published</i>)—	
Estimated Market Value of Assets	104,900
KRESGE FOUNDATION	86,200
LILLY ENDOWMENT	68,269
CHARLES HAYDEN FOUNDATION	67,436
JAMES FOUNDATION OF NEW YORK	64,900
ROCKEFELLER BROTHERS FUND	59,663
JOHN A. HARTFORD FOUNDATION (<i>estimated</i>)	53,000
OLIN FOUNDATION	52,531
A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST	52,233
MAX C. FLEISCHMANN FOUNDATION (<i>estimated</i>)	50,000

WHERE THE FOUNDATIONS ARE

Nearly one-third of the larger foundations are in New York State, where there are holdings of 64% or \$4.5 billion of reported foundation assets. Pennsylvania and Michigan rank next in foundation assets.

FOUNDATION GIVING

Foundation giving is on the increase. For some years it has been estimated to be in the neighborhood of \$325 million a year. In 1955 it was estimated to approach \$450 million, exclusive of the extraordinary \$500 million appropriated by the Ford Foundation in that year. In 1956 there is evidence that foundation giving may total \$500 million. Foundation giving in past years has been about 4.5 per cent of total giving for philanthropy.

FOUNDATION TRENDS

“Generalizations will seldom hold for a group so numerous and so diverse as today’s foundations,” says F. Emerson Andrews in *Philanthropic Foundations*. “Certain trends are observable, however, though notable exceptions to them occur. One general trend has been away from individual relief, for which foundation funds are in any event inadequate, toward exploratory work directed to prevention and cure rather than treatment or relief. Discovery is the keynote of these programs—discovery in the physical sciences, discovery in the social sciences, discovery in the application of knowledge already won. Increasingly, foundation funds are being called the venture capital of philanthropy.”

CORPORATE FOUNDATIONS

Foundations as a means of distributing corporation contributions are coming into increasing use—about 1,500 such foundations now existing. They vary widely in their objectives. The U. S. Steel Foundation, for example, handles a wide variety of contributions for the U. S. Steel Corporation. The Bulova Foundation promotes the use of handicapped veterans in the watch-making industry. The Nutrition Foundation, supported by the food industry, finances basic research in nutrition.

In favor of such foundations is the tax advantage which reduces the costs of the gift to the company; permits stabilized giving by creating reserves for giving in times of poor business; helps establish programmed giving; facilitates a more comprehensive giving policy; serves as a source of good will.

Against the favorable are these less favorable factors: there is some loss of control of funds; there is risk in securing and retaining tax exempt status; there is less participation by local management; foundation disbursements exclude company memberships; the number of requests for contributions increases; stockholders may raise objections.

COMMUNITY TRUSTS

Community Trusts and Foundations in the United States and Canada now have total assets of \$156,906,849—an increase of 38 per cent since 1950. These trusts made grants of \$6,099,181 last year.

SOURCE: *American Foundations and Their Fields, Seventh Edition; Foundation Reports.*

Trends in Giving as Indicated by Federated Campaigns

Federated campaigns in 1955 for 1956 budgets raised record total of \$339,706,067—12% over 1955 total for all recorded campaigns. The 1956 campaigns for 1957 budgets are estimated to reach \$378,000,000.

Excluding new United Funds which included Red Cross for the first time, there was a 10% increase in the amount raised in 1955 by all other United Funds and a 7% increase in Community Chest results.

Records of federated campaigns over three decades, follow:

BUDGET YEAR	NO. OF CAMPAIGNS	AMOUNT RAISED
1925	240	\$ 58,003,965
1935	406	69,781,478
1940	561	86,297,068
1945	772	221,272,950
1950	1,318	192,933,988
1955	1,858	302,023,059
1956	1,939	339,706,067
1957	2,000	378,000,000*

WHERE THIS MONEY CAME FROM

In 1955 firm gifts of \$100 and over amounted to 37.7% of the total raised in Community Chests and 34.4% in United Funds including Red Cross. In 1954 firm gifts represented 40% of Community Chest totals and 34.1% of United Fund totals.

Employee gifts constituted 38% of the total raised in 1955 by United Funds including Red Cross, and averaged \$8.23 per capita. For Community Chests employee gifts were 31.3

*Estimated

per cent of the total and averaged \$5.75 per giver. 72 per cent of the employees solicited contributed.

In 1955 there was an average of 25.71 gifts per 100 population for Chests and 24.71 for United Funds.

79 Community Chests reported that their 10 largest gifts represented 14.8% of their total, and the 100 largest 33.5%.

SOURCE: *United Community Funds and Councils, Bulletin 186.*

State Requirements for Solicitation of Charitable Contributions

CALIFORNIA

Annual audit of any organization raising funds in excess of \$25,000 or sending more than 5% out of State must be filed with Department of Social Welfare, Sacramento. Exemption granted churches, educational institutions granting degrees, hospitals, and institutions licensed by the State Department of Social Welfare.

CONNECTICUT

Certificate of approval of cause required from Commissioner, State Welfare Department, Hartford.

DELAWARE

Permit required to solicit, obtained from the Clerk of Circuit Court. Law exempts national organizations, except those retaining locally 50% or better of funds solicited, or any church organization.

IOWA

Permits required for out-of-state agencies to solicit. Issued by Secretary of State, Des Moines; \$1,000 Bond; Annual report must be filed with \$2 fee with Secretary of State.

MAINE

Annual license required for professional fund-raisers from Department of Health and Welfare, Augusta.

MASSACHUSETTS

Registration of soliciting agency required with Attorney General; annual report must be filed and records open for inspection. Exemption: proof of federal income tax exemption.

MICHIGAN

License for solicitation required and statement of finances filed with Department of Social Welfare, Lansing.

MINNESOTA

State law authorizes villages to regulate solicitation.

NEBRASKA

Certificate of approval required from each county where there is solicitation. \$1 fee.

NEVADA

Annual report required of soliciting organizations.

NEW HAMPSHIRE

Certificate required for soliciting agency from Commissioner, Department of Public Welfare.

NEW MEXICO

Registration required of both soliciting agency and professional fund-raisers; \$10 fee and \$2,500 bond required of professional fund-raisers. Authorization required for the use of names. Exemption: Educational institutions only for solicitation of students, families, trustees, faculty, alumni.

NEW YORK

Registration required of soliciting agencies and professional fund-raisers and solicitors, from State Department of Social Welfare. \$50 fee for professional solicitors; \$50 for professional fund-raisers; \$5,000 bond; authorization required for the use of names. Exemptions: provided for religious institutions and educational solicitations among alumni, families, students, trustees. Educational institutions may obtain exemption from State Department of Education.

NORTH CAROLINA

License required for professional fund-raisers from Commissioner, Department of Welfare.

NORTH DAKOTA

License required for professional fund-raisers from Public Welfare Board.

OHIO

Registration of soliciting organizations and professional fund-raisers required with Attorney General or local clerk of courts. Annual financial report required on or before March 31, or ninety days after close of fiscal year; professional fund-raisers file \$5,000 bond and keep contracts available for three years for inspection. Exemptions: religious organizations, educational institutions among their own membership, students, families, trustees, faculty, alumni.

OKLAHOMA

Registration required of soliciting agency and professional fund-raisers, Secretary of State. \$50 fee for professional fund-raisers and \$2,500 bond; authorization required for

use of names; contracts and records open for inspection for three years. Exemptions: religious organizations, educational institutions (when solicitations are confined to its student body and their families, alumni, faculty, trustees), fraternal, patriotic, civic, social organizations among own membership.

OREGON

Annual report of soliciting organization must be filed with County Clerk.

PENNSYLVANIA

Agencies intending to solicit funds or conduct campaigns are required to apply for a certificate from the Department of State and submit the following: \$10 fee, copy of constitution and by-laws, copy of charter or act of incorporation, copy of annual audit for last calendar or fiscal year, copy of contract with any fund-raising firm or individual if compensation exceeds \$150, evidence that cost of solicitation does not exceed 15%, proof of existence of active governing board or committee in form of minutes for year immediately preceding date of application. EXEMPTED are fraternal organizations incorporated in Pennsylvania, religious organizations raising funds for religious purposes, colleges, schools, universities, alumni organizations raising funds for fellowships or scholarships, federated women's clubs, labor unions and charitable agencies filing reports with the Department of Welfare.

Professional fund-raising counsel and paid solicitors must register on forms supplied by Department of State.

UTAH

Authorization required for the use of names.

VIRGINIA

Records must be kept open for inspection.

STATUS OF OTHER STATES

Statutory provisions regulating charitable solicitations reported under consideration in 1957 legislative year in ARIZONA, COLORADO, ILLINOIS, INDIANA, KANSAS, MARYLAND, NEW JERSEY, (Commission appointed to investigate), RHODE ISLAND, SOUTH CAROLINA, TEXAS, VERMONT, WISCONSIN, WYOMING.

No laws exist or presently reported contemplated in ALABAMA, ARKANSAS, GEORGIA, IDAHO, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, MONTANA, SOUTH DAKOTA, TENNESSEE, WASHINGTON, WEST VIRGINIA.

SOURCE: *AAFRC correspondence with State Governments, Wisconsin Legislative Reference Library; American Alumni Council Study.*



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